

April 23, 2007

VIA HAND DELIVERY AND FACSIMILE (404-658-7720)

Ginny Looney, Ethics Officer
Ethics Office for the City of Atlanta
Atlanta City Hall
68 Mitchell Street, SW, Suite 3180
Atlanta, Georgia 30303-0312

Re: Mayor Shirley Franklin

Dear Ms. Looney:

As you know, we represent Mayor Shirley Franklin in regard to the recent Ethics Complaints filed against her with the City Board of Ethics. This letter is in response to yours of March 22, 2007, in which you asked several questions arising out of your review of two Ethics Complaints that were filed against Mayor Franklin by Mr. George Anderson, namely cases CO-07-003 and CO-07-013. For ease of reference, I will repeat below each of the questions you asked, along with our answer on behalf of Mayor Franklin to each of your questions.

ETHICS COMPLAINT CO-07-003

Your Question No. 1: Does the Mayor or any member of her immediate family (now defined as spouse, registered domestic partner, parent, sibling, child) have a financial interest in any city contract or sub-contract at the airport? (See Section Sec. 2-812.)

Answer No. 1: At this point in time, neither Mayor Franklin nor any member of her immediate family has any financial interest in any city contract or subcontract at the airport. In the past, it is Mayor Franklin's understanding that two of her adult children have had a financial interest in a subcontract at the airport, in that they were both employees of a subcontracting business entity, and, for a period of time, also served as directors of that entity. It is also the Mayor's understanding that one of her adult children was an officer in that entity for a period of time. However, it is also Mayor Franklin's understanding that none of her children have ever had an ownership interest in that business entity, and that their employment relationship with that entity ended during 2006, and their positions as

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directors and an officer ended prior to 2006. Mayor Franklin's mother, who passed in December of 2006, has never had any financial interest in any city contract or subcontract at the airport.

Mayor Franklin also notes it is her understanding that any airport concessions leases, under which this business entity held a subcontracting relationship, were procured and awarded by the City of Atlanta, and were signed by the previous Mayor, well before Mayor Franklin took office in January 2002. She has had no discussions or interactions with any City official or employee regarding any such leases, or any subcontracts under those leases, since she became Mayor.

Mayor Franklin also notes that she has never had any relationship to the business entity in question, Franklin & Wilson Airport Concessions, Inc. and she is not privy to its ownership structure or its business activities, other than what she reads in the news. She does not talk to her ex-husband about this businesses, but she believes that her ex-husband, whom she divorced in 1986, has some ownership interest in the business. She has asked her adult children about their relationships to the business entity, and her understanding of those relationships, as stated in this letter, is based on their responses to her questions.

Your Question No. 2: Does any member of the Mayor's immediate family serve as an officer, director, stockholder, creditor, trustee, partner, or employee of a business that has a city contract or subcontract at the airport? (See Section 2-812.)

Answer to Questions No. 2: As stated previously, it is Mayor Franklin's understanding that two of her adult children have, at some point in time, served as directors of a subcontracting entity at the airport, and that they were employees of that entity until sometime in 2006. She also understands that one of her children was an officer, for a period of time, of that entity. It is her further understanding that none of her children have ever been a stockholder, creditor, trustee, or partner of any business that has a city contract or subcontract at the airport. Mayor Franklin's mother, who passed in December of 2006, never had any relationship with any business that had a city contract or subcontract at the airport.

Your Question No. 3: Has the Mayor had any financial or personal interest, direct or indirect, in any decision pending before her related to an airport contract or subcontract? (See Section 2.813.)

Answer to Question No. 3: Mayor Franklin made a pledge, when she ran for Mayor in 2001, that she would not become involved, in any way, in regard to any decisions related to any concession leases at the airport, because her ex-husband (whom she divorced in 1986) was a part owner of a business that had an already-existing subcontract

under one or more leases for concessions at the airport, and two of her children were employed by her ex-husband's business. True to that campaign pledge, and consistent with Section 2-813 of the Code of Ethics of the City of Atlanta, she has steadfastly avoided any participation or involvement, directly or indirectly, in any decision-making process or activity that might affect concessions leases at the airport or any subcontracts under those leases, including, but not limited to the following activities: making or reviewing any recommendations; the approval or disapproval of any requests; the preparation of any part of specifications or requests for proposal; the influencing of the content of any specification or contract standard; the rendering of any advice; the investigation, auditing or reviewing of any proceeding or application; the request for any ruling or other determination; the involvement in any claim or other matter pertaining to any such contracts or subcontracts; and the involvement in any solicitation or proposal involving concessions leases at the airport and/or subcontracts under those leases. And, she has not sought to influence, in any manner, the votes or decisions of others with respect thereto. Therefore, she has never had any decision pending before her related to an airport contract or subcontract that relates to concession leases at the airport, and, thus, she has never had any financial or personal interest in any decisions pending before her related to an airport contract or subcontract.

Your Question No. 4: What procedure, if any, does the Mayor follow to disqualify herself or disclose a financial or personal interest in a matter pending before her? (See Section 2-813.)

Answer to Question No. 4: First, as stated above, Mayor Franklin has avoided entirely any involvement in any decisions or other matters related to concessions leases at the airport and or any subcontracts thereunder, and she has not discussed those matters with anyone at the City of Atlanta and she does not allow any City employee or official to discuss those matters with her. Thus, she has never had a any "matter pending before her" for any input or decision or advice that would involve any financial interest or personal interest of hers or of her immediate family. As far as the disclosure of her financial and personal interests, she has timely filed all of the required personal financial disclosure statements with the City Ethics Board, the State Ethics Commission, and the Atlanta Regional Commission, and in those reports, she has answered completely all the questions posed. If she were faced with a potential conflict involving a personal or financial interest of her own or her immediate family, she would consult with the City Attorney and/or the City Ethics Officer for advice on whether they was a conflict, and, if so, how to fully comply with the City's Code of Ethics.

Mayor Franklin also has reviewed her 2007 Financial Disclosure Statement filed with the City of Atlanta Board of Ethics. Specifically, she has reviewed Question No. (15)a, which is entitled "Family Transaction with the City." Question (15)a has two parts. The

first part asks "[s]ince January 1, 2006, has your spouse, registered domestic partner, father, mother, brother, sister, or child derived any benefit from any transaction with the City directly...?" In 2006, Mayor Franklin had no registered domestic partner or spouse, and no brother, sister or father. As stated previously, to the Mayor's knowledge, neither her adult children nor her mother derived any benefit from any transaction with the City directly, as none of them have ever had any direct employment or contractual relationship with the City of Atlanta.

The second part of the question asks: "[s]ince January 1, 2006, has your spouse, registered domestic partner, father, mother, brother, sister or child derived any benefit from any transaction with the City ... through a business in which they have a majority or controlling interest?" As stated previously, it is Mayor Franklin's understanding that neither her children nor her mother have ever owned any interest (much less a "majority" or "controlling interest") in any business that has had a contract or a subcontract with the city, so, again, the answer to this part of the question would also be "no." Therefore, Mayor Franklin answered the compound question contained in Question (15)a as "No."

Mayor Franklin also notes that, in addition to fully and timely filing her personal financial disclosure statements annually with the City Ethics Board, the State Ethics Commission, and the Atlanta Regional Council, she also has disclosed her personal tax returns, both state and federal, for each year that she has been in office (she was first sworn in as Mayor in January of 2002), and for the four (4) years prior to her election as Mayor (1998-2001), which is an additional disclosure beyond that required by either state or local law, and which no other elected City of Atlanta elected official, to Mayor Franklin's knowledge, has ever done. She did this in the interest of being totally open and transparent about her own financial situation.

Your Question No. 5: Since January 1, 2006, have any of the Mayor's children or any business in which they had a majority or controlling interest had a contract or subcontract with the airport? (See 2007 City Financial Disclosure Statement.)

Answer to Question No. 5: As noted above, after reasonable inquiry of her adult children, the Mayor's understanding is that none of her children have ever owned a majority or a controlling interest in any business entity that has held a contract or subcontract with the City of Atlanta, and none of them have ever had a contract or subcontract with the airport.

ETHICS COMPLAINT CO-07-013

As you stated in your letter, the allegations in this second Ethics Complaint repeat many of the allegations from the prior Complaint, but it also makes some new allegations, primarily focused on: (1) the use of a City credit card to make a purchase of \$1,571 at a

gas station, and (2) allowing the City's Department of Aviation to spend \$11,800 on an advertisement in Georgia Trend Magazine to congratulate Mayor Franklin for her being selected as the "Georgian of the Year."

Unauthorized Use of City Credit Card

In regard to the City credit card, as you know, the City's Law Department has completed its investigation and was unable to determine who used the City credit card assigned to the Mayor's Office to make a purchase for \$1,571 at a local Texaco Gas Station. Mayor Franklin has implemented several changes as a result of the Internal Audit Report, and feedback from the City Finance Department, and the Law Department's investigation. First, it was determined that in the past there was inadequate management oversight for the use of the credit card and the payment of the credit card statements. The statements for the credit card were being sent to the Office Manager, who reported directly to the Mayor's Chief of Staff. It has been determined that the Office Manager was not circulating the credit card statements to those who had authority to use the credit card, including Mayor Franklin, to determine if the charges on the credit card statements were indeed valid. It was also determined that neither the Office Manager nor the Finance Department were requiring receipts to be attached before approving payment of the credit card statements.

Accordingly, the following changes have been implemented: The Office Manager no longer works for the City of Atlanta. When the credit card statements are received, they are circulated among those who are authorized to use the credit card assigned to the Mayor's Office for the Mayor's travel and other legitimate expenses related to City business, and each person reviews all charges to identify those that he or she made. Any charges that are not identified as being made by an authorized user are immediately flagged. In addition, receipts are collected and attached to the credit card statement when it is submitted to the Finance Department for approval and payment.

It is Mayor Franklin's understanding that the Law Department is continuing to pursue its investigation into this outstanding and unauthorized charge on the Mayor's Office credit card, and if it can determine who used the credit card at the Texaco, that person or persons will be asked to refund those charges. Unfortunately, it is our understanding that Texaco does not have a copy of the charge authorization, so no name has been generated from inquiries made to Texaco. Mayor Franklin knows that she did not personally use the credit card at the Texaco Gas Station, nor did she authorize its use at the Texaco Gas Station in question.

In fact, when traveling on City business, Mayor Franklin often charges incidental travel expenses to her own personal credit card, and does not seek reimbursement from the

City, even though those charges directly relate to City business. For example, during her tenure as Mayor, from 2002 through 2006, her unreimbursed business expenses related to City business, mainly travel, for which she has not sought reimbursement from the City, have ranged from \$2,500 to \$4,000 each year.

Georgia Trend Magazine Advertisement

Finally, your letter states that the issue regarding the advertisement purchased by the Department of Aviation ("DOA") would appear to be a question of law, concerning whether the DOA's purchase of the magazine advertisement was for official city business. Mayor Franklin knows that she has never had and has never sought any input or approval authority over the advertising budget for the Department of Aviation, which is approximately \$500,000 annually. She also had no knowledge of the purchase of this ad, either before or after its purchase.

She also notes, as is shown by the enclosed Exhibit "A," that the DOA has routinely purchased ads over the last several years in Georgia Trend Magazine, to tout the continuing improvements, major expansions, and successes at Hartsfield-Jackson Atlanta International Airport ("HJIA"), "The World's Busiest Airport," to the many businessmen and businesswomen, and other potential air passengers and HJIA customers who read Georgia Trend Magazine. As also shown on Exhibit "A," HJIA has spent as much as \$40,000 in one year on advertising in Georgia Trend, and, in the year in question, 2006, it spent about \$18,000 in advertising with Georgia Trend Magazine.

The "ad" in question here was an advertisement for HJIA; it featured two pictures of Mayor Franklin, and one of those pictures also included the General Manager of HJIA, Mr. Ben DeCosta, a well-known public official who is clearly and directly associated with HJIA. Moreover, the pictures in the ad were taken outside at HJIA, at the Public Dedication Ceremony celebrating the long-awaited Opening of HJIA's new Fifth Runway. In the same edition of Georgia Trend Magazine, there is an article featuring the "100 Most Influential Georgians," entitled "Power Players." In this section, Mr. DeCosta is featured, with a picture and short bio. In Mr. DeCosta's bio, it mentions that HJIA's "fifth runway and new air-traffic control tower, North America's tallest, opened in 2006," and it also notes that these improvements at HJIA caused delays to drop 70% in 2006, compared to the prior year. (A copy of the DeCosta bio is included as Exhibit "B.") Thus, the full-page ad and the biographical entry for Benjamin DeCosta appeared to be a combined promotion for the World's Busiest Airport, noting and celebrating that the Fifth Runway had been opened, and new control tower completed, which had caused delays at the Airport to drop 70%, as compared to the previous year. This was good news to any regular flyer or any potential new air traveler thinking of flying out of HJIA in 2007!

Finally, it is noted that the articles that typically appear in *Georgia Trend Magazine* often feature local governments and public agencies from throughout the state of Georgia, and they often focus on new growth and new development around the state. Thus, because of the readership of *Georgia Trend Magazine*, it appears to be routine for governmental agencies and bodies, from all over the state of Georgia, to advertise in *Georgia Trend Magazine*. Apparently they are trying to reach, and create a positive impression on, many "influential Georgians," including business leaders, legislators, meeting planners, executives, elected officials, developers, investors, bankers, companies looking to move into Georgia or to move their headquarters to another city, and the public in general.

For example, a quick review of the January 2007 edition of *Georgia Trend Magazine*, where the ad in a question appears, shows that not only did the City of Atlanta's DOA choose to promote HJIA in that edition of the Magazine, but also all the following governmental agencies and entities appear in large ads in the magazine that were apparently purchased by these governmental agencies, touting the good features of their cities, counties, schools and economies:

Coles College of Business at Kennesaw State University;
Georgia Southern University;
University of West Georgia;
Columbus State University;
Medical College of Georgia;
City of College Park, Georgia;
Early County, Georgia;
City of Smyrna, Georgia;
City of Marietta, Georgia;
City of Powder Springs, Georgia;
Cobb County, Georgia;
Georgia College and State University;
City of Blairsville, Georgia;
Union County, Georgia;
City of Tifton, Georgia;
City of Sandersville, Georgia;
Washington County Schools, Georgia;
Tift County, Georgia;
and others.

In closing, Mayor Franklin notes that the decision to purchase the ad in *Georgia Trend Magazine* was not one that she was asked about, either before or after the fact. It also appears that the ad was routine advertising by the Department of Aviation to promote

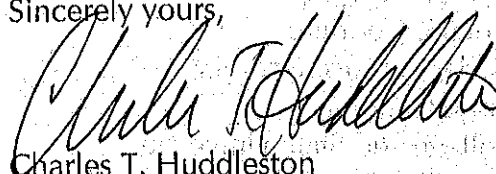
Metropolitan Atlanta's "economic engine" and DOA's prime jewel, the "World's Busiest Airport," to a readership that would be likely to be customers of the airport, and that this routine advertising was in the normal and ordinary course of the business for the Department of Aviation and for other governmental agencies in the State of Georgia, and the ad itself appeared in a normal place where public agencies and governments often advertise. Finally, the choice made by DOA's advertising staff to feature the "2007 Georgian of the Year," Mayor Shirley Franklin, in the ad, and to include pictures of her and the General Manager of the Airport, as they appeared at the Public Dedication Ceremonies at the Airport, marking the Opening of the New Fifth Runway, along with a bio entry for Mr. DeCosta touting the 70% reduction in delays due to the new Runway and Control Tower, was simply and purely a business decision made by those in charge of DOA's advertising budget, of which Mayor Franklin had no input or knowledge, either before or after the fact. Thus, this issue appeared to be beyond the jurisdiction of the City Ethics Board.

CONCLUSION

This letter is an attempt to answer the questions put forth in your letter of March 22, 2007. However, as you well know, Mayor Franklin is ready, willing and able to meet with the City Board of Ethics and answer any further questions they may have. Please call me if you wish arrange such a meeting with the City Board of Ethics, or if you have any further questions or need any additional information.

Warm regards.

Sincerely yours,



Charles T. Huddleston
Legal Counsel to Mayor Shirley Franklin

CTH:sm

cc: Mayor Shirley Franklin

EXHIBIT "A"

DOCUMENT LIST

DCL

03/20/2007 12:01:48

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CONTROL DATE : _____
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DOCUMENT STAT: _____
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CURR STATUS DGT DCI
CODE DPA DLL

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P5191	2978	08/31/01	5,132.30	PD-FULL	-	-	-	-
P5191	3116	09/30/01	12,000.00	PD-FULL	-	-	-	-
P5191	3235	10/31/01	5,132.30	PD-FULL	-	-	-	-
P5191	3449	12/31/01	12,000.00	PD-FULL	-	-	-	-
P5191	3756	03/31/02	12,000.00	PD-FULL	-	-	-	-
P5191	4102	07/31/02	12,000.00	PD-FULL	-	-	-	-
P5191	4400	10/31/02	5,162.00	PD-FULL	-	-	-	-
P5191	4548	12/31/02	12,720.00	PD-FULL	-	-	-	-

PAGE: 1 STATUS: MORE

DOCUMENT LIST

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DPA DLL : _____

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P5191	5371	09/30/03	12,720.00	PD-FULL	---	---
P5191	3235D	10/31/01	5,132.30	CANCELL	---	---
P5191	005000	11/30/97	2,595.00	PD-FULL	---	---
P5191	005820	11/30/98	5,782.00	PD-FULL	---	---
P5191	062403	06/24/03	24.00	PD-FULL	---	---
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P5191	0008477-IN	12/15/06	11,800.00	PD-FULL	----
P5191	MARCH 5,2007	03/05/07	12,235.00	BALANCD	----

EXHIBIT "B"

2007
MOST INFLUENTIAL GEORGIANS

Republican on the Agriculture Committee. He was honored in 2006 with the Director's Award for "extraordinary fidelity and essential service" to the CIA.

KATHY COX
State School Superintendent
State of Georgia
Fayetteville
Age: 42

During her first four years in office, Cox ambitiously initiated extensive curriculum reforms designed to improve the academic performance of Georgia students and schools, both of which still lag behind most of the nation. Georgia voters decided to give Cox's reform package time to take root by re-electing her in a landslide last November.

ANN WILSON CRAMER
Director, IBM Corporate Community
Relations and Public Affairs
Atlanta
Age: 61

Cramer has transformed a lifelong passion for the wel-

fare of children and youth into a career path. The embodiment of community relations, Cramer oversees IBM's involvement and investment in local communities, and is now the driving force behind the World Community Grid, a global effort harnessing the power of technology to tackle projects for the benefit of humanity.

BENJAMIN DECOSTA
Aviation General Manager,
Hartsfield-Jackson Atlanta
International Airport
Atlanta
Age: 60

Hartsfield-Jackson's fifth runway and a new air-traffic control tower, North America's tallest, opened in 2006. Since that time, delays at the world's busiest airport dropped 70 percent over the year before. Also in 2006, construction of an off-site



COMMITTED DEDICATED LEADER

BUSINESS AND INDUSTRY LEADERS
ARE COMMITTED TO EXCELLENCE
AT CHATTAHOOCHEE TECHNICAL
COLLEGE.

consolidated rental-car facility and people mover began, with plans to open both in 2008.

BRAD DOUGLAS
Commissioner
Georgia Department of
Administrative Services
Tyrone
Age: 42

Douglas manages a staff of almost 300 in one of state government's quietest, yet most vital, branches. DOAS is charged with providing critical business solutions and services to the state's efficient operation, encompassing a broad spectrum that includes risk management, fleet management, procurement, surplus property and document services.

BILL DUNAWAY
Mayor, Marietta
Age: 67

Marietta's selection as an All American City last June — the nation's most coveted civic recognition — served as a

very public affirmation of the success of Dunaway's administration. Not content to rest on his laurels, Dunaway continues to champion his city's revitalization, which includes a massive renovation effort. An estimated \$200 million in new residential or mixed-use projects broke ground in the last months of 2006 alone.

MICHAEL ESKEW
Chairman/CEO, United
Parcel Service, Inc.
Atlanta
Age: 57

The man responsible for the world's largest package delivery company grew up with UPS. Starting in 1972 as an industrial engineering manager, Eskew has held his current position since 2002. In 2008 Eskew was appointed to the President's Export Council. He was elected chairman of the U.S.-China Business Council in 2004.



WALTER BROADNAX

President
Clark Atlanta University
Atlanta
Age: 62

When Walter Broadnax took office as president of Clark Atlanta University, he faced down a \$25 million-a-year cash flow deficit, a campus in need of repair and an enrollment slide.

After four years, he has erased the deficit (the university is looking toward a surplus next year), renovated and expanded campus facilities and stabilized enrollment. With 4,600 students, Clark Atlanta has seen its first enrollment increase in 10 years and is holding its status as the largest historically black college in the country.

Broadnax says the institution has made the transition from surviving to thriving. One of his greatest joys is looking out his office window at students hurrying

African-American youngsters and doing something positive about their future and our country's future," Broadnax says. "I couldn't have, in my wildest imagination, come up with anything more fulfilling than this."

That's quite a statement coming from a man of his experience. Before CAU successfully recruited him, Broadnax held a wide range of academic and public service positions.

He taught at Syracuse University, American University and Harvard University's John F. Kennedy School of Government. He served in national positions under presidents Jimmy Carter and Bill Clinton — first as deputy secretary for the U.S. Department of Health, Education and Welfare and later as deputy secretary of the U.S. Department of Health and Human Services.

He also has worked for the prestigious Brookings Institution, and served on advisory boards for the secretary of state, the controller general and NASA. — KBT

